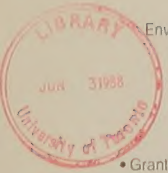


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# Ontario's Water and Sewage Systems Direct Grants



Environment Ontario offers a number of financial assistance programs to municipalities for the construction of water and sewage works facilities. Effective April 1, 1987, the following programs are in place.

## Grants Available

- Grants to assist in the construction of new communal water and sewage works systems.
- Assistance for the upgrading or repair of private water supply or sewage disposal facilities.
- Grants to assist rural municipalities in the construction of water pipelines.
- Assistance for the rehabilitation of water distribution or sewage collection systems.
- Grants towards the cost of completing pollution control planning studies.

**NOTE:** All requests for grant assistance are subject to a priority evaluation review process.

## Eligible Works

### 1.0 Communal Water and Sewage Works

#### 1.1 Municipalities with populations greater than 7,500

- Generally all major components of new water supply and waste water treatment works are eligible for grants of up to 33 percent. Such works may include water intakes, treatment or storage facilities, and trunk watermains along with sewage treatment facilities, outfall sewers, trunk sanitary sewers, and associated pumping stations. (See Grant Calculation.)
- For municipalities in which there are major areas without local collector sewers, grant assistance of 50 percent is available for such works if health or environmental problems exist due to malfunctioning private waste disposal systems.

#### 1.2 Municipalities with populations less than 7,500

- In addition to the funding of the major components in 1.1, assistance is also provided for local water distribution and sewage collection works. Grants are calculated on the basis of population and range from 33 percent to 85 percent. (See Grant Calculation.) The approval of grant assistance is subject to the enactment and enforcement of a by-law under Section 219 of the Municipal Act requiring connection to the system.

### 2.0 Upgrading or Repair of Private Facilities

In municipalities or small communities where the upgrading or repair of private water supply or sewage disposal facilities is an acceptable alternative to the construction of communal works, grant assistance of up to 85 percent is available. The amount of the ministry contribution is calculated on the basis of the population of the municipality or community. The servicing of seasonal residences such as cottages, trailer parks, or camps is *not* eligible for such assistance.

### 3.0 Rural Water Pipelines

The construction of water pipelines to serve rural areas outside of clearly-defined urban boundaries is eligible for grant assistance of 33 percent. Grants are based on the cost of providing a minimum system of small diameter watermains designed to provide for domestic and farm usage but *not* including capacity for fire protection or farm irrigation. The approval of grant funding is subject to consent of the Ministries of Agriculture and Food and of Municipal Affairs.

### 4.0 Rehabilitation of Water Distribution and Sewage Collection Systems

For projects related to the rehabilitation, renovation, repair or replacement of existing water distribution or sewage collection systems, grant assistance is as follows:

- To complete a "needs study" which provides an inventory of the existing facilities and a plan of action for a rehabilitation program, grant assistance is based on the municipal population with a minimum grant of 50 percent.
- To carry out the physical rehabilitation as recommended in the "needs study", grant assistance of 33 percent is available.

### 5.0 Pollution Control Planning Studies

To assist in the development of a water pollution control plan for a defined urban or rural area, grant assistance of up to 85 percent is available. Such studies will outline the nature, cause, and extent of pollution problems, propose alternative remedial measures and recommend an implementation program. The level of grant assistance is based on the municipal population with a minimum grant of 50 percent.

## Grant Calculation

### 1.0 Municipalities with a Population Greater Than 7,500

- For major works designed to accommodate new development grant assistance of 15 percent is available.
- For projects designed to resolve health or environmental problems, grants will be based on 33 percent of the cost which can be attributed to meeting current requirements and 15 percent of the project cost which relates to the servicing of new urban development.

### 2.0 Municipalities with a Population Less Than 7,500

For local water distribution or sewage collection works along with sewage treatment or water supply facilities, grants are calculated in accordance with the formula.

$$\text{GRANT (\% OF NET COST)} = 93.00 - (P \times 0.008)$$

P = Population of the municipality or community as per assessment rolls.

Maximum grant = 85 percent where P = 1,000 or less.

The grant for the upgrading or repair of private water supplies or sewage disposal facilities is calculated on the same basis.

**NOTE:** Where the municipality or community lies within a regional municipality, grant assistance is limited to 70 percent of the grant normally provided in accordance with the formula.

### 3.0 All Municipalities

Grant assistance for infrastructure "needs studies" and for "pollution control planning studies" is calculated in accordance with the grant formula with a minimum grant of 50 percent.

## Eligible Costs

Grant assistance is provided for the following:

- Engineering costs for preliminary design, the preparation of detailed plans and specifications, and construction supervision.
- Construction costs based on the lowest responsible tender and including the purchase of equipment and materials.
- Land acquisition costs for treatment plants, water storage facilities, or pumping stations.

- Legal, survey and appraisal costs.
- Miscellaneous costs which may include the cost of advertising, disbursements for permits or licences.

## Procedures

The following procedures generally apply in the development of a project:

- Municipality enters into a preliminary discussion with ministry staff to clarify the scope of the proposed works, the procedures to be followed and the eligibility of the project for grant assistance.
- Municipality submits a formal request (by council resolution) for funding assistance.
- Ministry staff review the request and confirm eligibility for grant assistance or advise of rejection.
- Municipality retains consulting engineer to carry out preliminary engineering and obtain technical approval of the proposed works.
- Municipality arranges for and obtains approval of financing for the municipal share of the cost of the works.
- Municipality authorizes the consulting engineer to complete detailed final design and submits formal application for grant assistance based on preliminary cost estimate. The application is to be made prior to October 1 for projects where construction is to begin in the following year.
- Ministry confirms availability of grant funding.
- Municipality calls tenders and awards contract(s).
- On completion of construction, ministry staff carry out a final evaluation of the project cost.



## Payment of Grants

Grant payments are normally made on the basis of requests from the municipality indicating eligible expenditures to date and a quarterly calendar projection of expenditures following the award of the construction contract. Financial assistance for the completion of preliminary engineering work and detailed design, prior to construction, is also available subject to prior confirmation of eligibility of the project by the ministry. Grant payments will be provided to assist in the completion of conceptual design and/or engineering study reports subject to ministry participation in the development of the terms of reference for such studies. Payments to assist in the completion of final design will also be made available for projects which have received confirmation from the Ontario Municipal Board that the project is financially viable and for which a conditional Certificate of Approval has been issued.

## Definitions

### 1. Priority Evaluation Review

Eligibility for funding assistance is determined on the basis of a review which examines health or environmental problems which a project is designed to correct. The need for expansion or extension of existing facilities to accommodate new residential development is also a factor in the evaluation process.

### 2. Community

An area to be serviced may be defined as a "community" for grant purposes if it meets the following criteria:

- The area has a geographic identity.
- The residential density of the area in question is not less than 2.5 residences per gross hectare or in the case of strip development, there are 35 residences per kilometre.
- The area in question is spatially separated from the nearest "serviced community" by not less than 2 kilometres.

### 3. Cost Effective Review

To ensure efficient utilization of grant funding, all projects may be subject to cost effective review and grant payments will be made on the basis of the most effective, least cost alternative.

### 4. Net Costs

Ministry grants are based on a percentage of the "net" cost of a project determined after deducting any federal or provincial government grant.

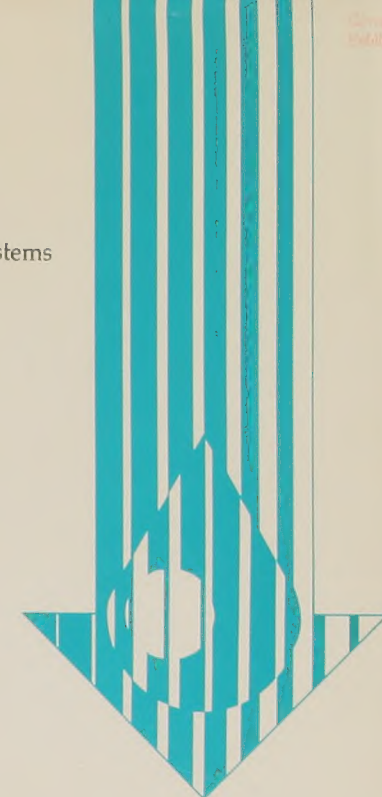
## Information

Further information and application forms will be available at the following ministry offices:

Toronto Regional Office 7 Overlea Boulevard 4th Floor Toronto, Ontario M4H 1A8	(416) 424-3000
Sudbury Regional Office 199 Larch Street 11th Floor Sudbury, Ontario P3E 5P9	(705) 675-4501
Thunder Bay Regional Office P.O. Box 5000 435 James Street South 3rd Floor Thunder Bay, Ontario P7C 5G6	(807) 475-1205
Kingston Regional Office P.O. Box 820 133 Dalton Avenue Kingston, Ontario K7L 4X6	(613) 549-4000
London Regional Office 985 Adelaide Street South London, Ontario N6E 1V3	(519) 661-2200
Hamilton Regional Office P.O. Box 2112 119 King Street West 12th Floor Hamilton, Ontario L8N 3Z9	(416) 521-7460
Project Engineering Branch 135 St. Clair Avenue West 10th Floor Toronto, Ontario M4V 1P5	(416) 323-4395

Ontario's Water and Sewage Systems

## Direct Grants



Environment  
Ontario

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